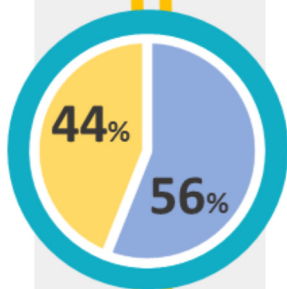




FIXING OUR STREETS:

Some accountability commitments
not fulfilled

May 2019



P O R T L A N D
CITY AUDITOR
Audit Services



Mary Hull Caballero, City Auditor
Kari Guy, Audit Services Director

Audit Team

Jenny Scott, Performance Auditor II

Elizabeth Pape, Performance Auditor II

Fixing our Streets:

Some accountability commitments not fulfilled

Summary Portland City Council made public commitments when it asked voters to approve a temporary local gas tax and passed a separate tax on heavy vehicles to fund the Bureau of Transportation's Fixing our Streets Program. Two years into the program, we assessed how the Bureau is delivering on the Fixing our Streets program and accountability commitments. While projects were consistent with those promised to voters, most were behind the schedules that the Bureau set after the tax passed. Tax revenues from heavy vehicle owners were below the amount that experts said was needed to fund their share of the program. Many of the other accountability commitments were not fulfilled. We make recommendations to improve program oversight and meet public expectations.

Background

Portland voters narrowly approved a four-year gas tax of 10-cents per gallon in May 2016 to fund a Bureau of Transportation program dedicated to street repair and traffic safety called Fixing our Streets. Portland's only truck stop is not required to charge the gas tax, so City Council adopted the Heavy Vehicle Use Tax to ensure that all vehicle owners helped fund the program. The Heavy Vehicles Tax is an annual tax of 2.8 percent of the Oregon Weight-Mile Tax assessed on vehicles over 26,000 pounds that drive on streets owned or maintained by the City.

The City made several commitments to the public about the program in the Voter's Pamphlet ballot title and explanatory statement. Additional commitments were made by the Mayor and Commissioners in a statement in support of the tax in the Voters' Pamphlet. Council reiterated and fleshed out some of the commitments when it voted to approve the Heavy Vehicles Tax.

The City made many public commitments

Commitment:	What it entails:
 Project commitments	Project list with description of paving and safety work, location and budget for projects
 Heavy Vehicles will pay their share of program	Revenue goal for Heavy Vehicle Tax based on vehicles' share of City street costs
 Oversight Committee	Citizen oversight committee with monitoring and reporting roles
 Audits	Audits required
 Street repair/safety project split	56% of funds dedicated to street repair and 44% of funds to safety projects

The local gas tax expires in 2020, and the Transportation Commissioner plans to ask voters to renew it. We performed this audit at the half-way mark to determine if the City was delivering on the Fixing our Streets program and accountability commitments.

We found that Fixing our Streets projects were behind schedule and that City Council did not require owners of heavy vehicles to pay what experts said was needed for them to contribute their share of costs for maintenance, operations and improvement of City streets. We also found that monitoring and oversight was not effective, that the Bureau did not fulfill Council's commitment to obtain annual audits, and that the spending split between street repair and safety projects was difficult to assess.

Audit Results

The City has not delivered on some of its commitments



Project commitments

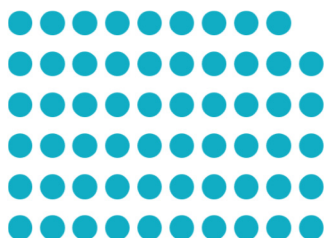
Project list with description of paving and safety work, location and budget for projects

We found that the projects planned and completed so far were consistent with those promised to voters. We assessed whether 45 gas-tax funded projects and 14 heavy-vehicle tax funded projects were completed on schedule and within budget.

Many projects were behind schedule

We found that two thirds of the projects scheduled to start before 2019 had not. The Bureau developed project schedules after voters approved the gas tax and shared them with the oversight committee. Bureau staff said the schedules were not realistic, and that it took longer than anticipated to break ground because the scopes of individual projects were not yet well defined. Bureau staff said they did not flesh out full project designs before sharing projects with voters in case the tax did not pass.

59 original projects



38 scheduled to start before 2019



12 actually started before 2019



8 completed before 2019



Additional factors that delayed projects included the time it took the Bureau to hire staff and redesign its capital delivery process once it began collecting tax revenues. There also were factors on individual projects that the Bureau did not anticipate, such as discovering street car tracks buried under pavement at one location. Those had to be removed before other elements of the project were constructed.

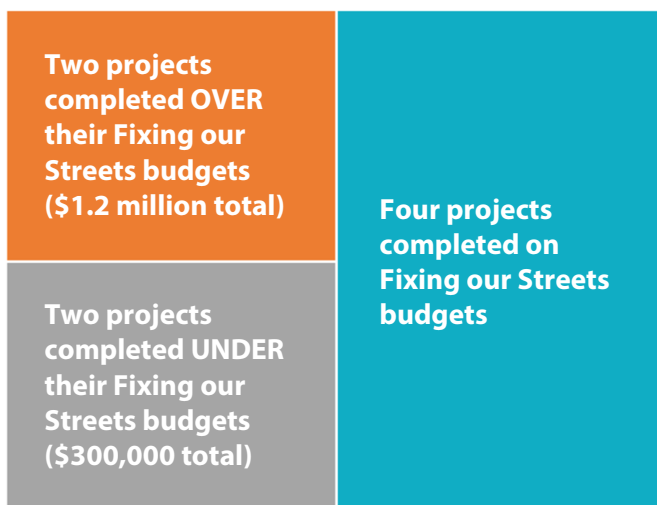
The Bureau's delays may have contributed to low public awareness about the program and lack of confidence that the Bureau will complete promised projects. Most respondents to a survey distributed through neighborhood coalition groups and events said they did not know about any Fixing our Streets projects. Some residents said they were worried that projects planned for their neighborhoods would not be completed.

The Transportation Commissioner recently told the public that the Summer 2019 construction season will be busy because many Fixing our Streets projects will be underway.

Most completed projects reviewed were on budget



Eight projects were completed by the end of 2018. Overall, these projects were \$900,000, or 15 percent, over the budget communicated to voters. Bureau staff said the budgets were only estimates subject to change.



The estimates communicated to voters represented only the portion funded by the Fixing our Streets Program. Some of the projects have funding from sources outside the program, making total budgets larger than those communicated to voters.

We cannot assess if these overruns will affect the Bureau's ability to complete the project list because the Bureau has not begun construction on many of its largest projects, and there are about two years remaining of gas tax collection. Bureau staff said that a contingency fund and higher than anticipated gas tax revenues help cover budget overruns, and it anticipates completing all the projects from the original list.

Base repair and Safe Routes to School projects completed



The bureau committed to perform \$8.6 million in base repair across Portland. In a base repair project, the Bureau replaces the rock layer below the street and the asphalt on top of it. According to the Bureau, it had spent \$5.5 million of Fixing our Streets funds on base repair by the end of 2018 and completed 117 base repair projects in 2017 and 143 in 2018. The Bureau also promised to perform \$8 million in Safe Routes to School projects. The Bureau said that 15 of the 88 planned Safe Routes to School projects funded by Fixing our Streets were completed by the end of 2018.



Heavy Vehicles will pay their share of program

Revenue goal for Heavy Vehicle Tax based on vehicles' share of City street costs

Heavy vehicle owners did not pay their share

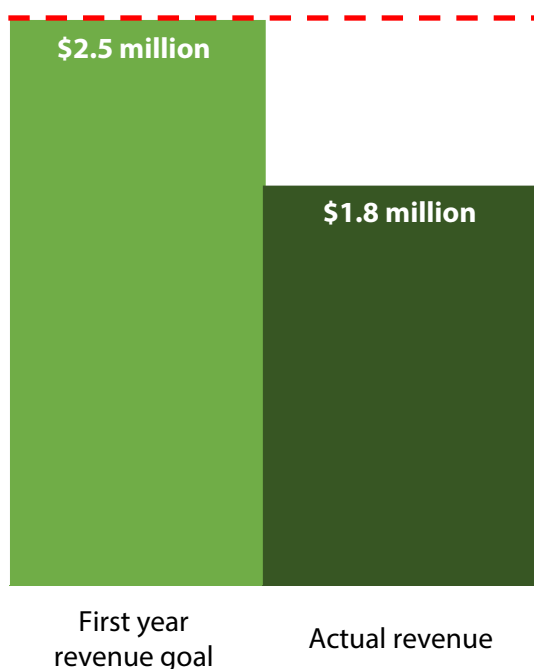
Council adopted the Heavy Vehicle Use Tax to help ensure that truck owners paid their share of the program. They do not pay the gas tax. We found that heavy vehicle owners did not pay into the program commensurate with what experts calculated was their share of City street maintenance, operations and improvement costs.

"Q: Will this tax heavy trucks?"

A: Since heavy trucks are buying gas at truck stops, mostly outside the city, instead of neighborhood stations, this measure includes a requirement that the City convene a committee to look at how to get heavy trucks to pay their fair share."

Argument in favor of gas tax endorsed by City Council members published in the Voter's Pamphlet

Heavy Vehicle Tax did not meet revenue goal



Council required that the tax paid by owners of heavy vehicles generate \$10 million over four years. City Code required that the tax rate be adjusted if it generated more or less than \$2.5 million in its first or second year of collection.

During the first year of the tax, heavy vehicle owners paid \$1.8 million, well below the \$2.5 million goal. However, Council eliminated the requirement in November 2018 that the rate be adjusted to meet the revenue goal. Council members cited concerns from the Freight and Fixing our Streets Oversight Committees that the increased rate would cause more businesses to request exemptions and it would be an unfair burden to those paying it.



Oversight Committee

Citizen oversight committee with monitoring and reporting roles

Bureau did not provide information the oversight committee needed for effective monitoring

The Fixing our Streets Program has an oversight committee comprised of volunteers who met quarterly.

The Bureau provided the committee volumes of information. However, we found that the committee could not effectively fulfill its monitoring role because the project lists and financial reports the Bureau provided were incomplete, inconsistent, and outdated.

Committee's monitoring role	Inadequate information	Reasons why
Monitor revenues, expenditures, and program/project implementation	<p>Project lists did not always include all projects and budget information was not consistent</p> <p>Financial reports were not up to date (The September 2018 report excluded \$1 million in expenditures for eight projects nearing completion)</p>	<p>Staff did not detect inconsistencies that resulted from errors in new project management software</p> <p>Staff did not prioritize updating financial reports before committee meetings</p>
Monitor construction impacts to businesses and neighborhoods	Information shared on impacts of construction was not consistent across projects and members said they could do more in this area	Bureau does not have system to assess community impact of construction projects
Monitor use of minority-owned, women-owned, and emerging small businesses to support community benefits	No information on use of minority-owned, women-owned, and emerging small businesses on projects in 2018. Information shared in 2017 was only for design phase, and staff said it was not reliable	Central Procurement did not advise Bureau staff how to retrieve data from the City's system

Lack of required reports leaves Council and the public out of the loop



The committee was supposed to report to Council when there were decisions to make on the use of new resources and when projects changed. It was also supposed to provide an annual report covering specific topics. The oversight committee did not advise Council or produce annual reports in 2017 and 2018. That meant Council did not have an opportunity to weigh in on project changes, and program performance information was not shared with the public.

Committee's reporting role	Committee omissions	Reasons why
Provide guidance to City Council on the effective use of new resources	No guidance to Council on the effective use of new resources, even though gas tax revenues have exceeded projections	The Bureau had not planned for how to use excess revenues, in case projects from the original list are over budget
Annually review program priorities, spending and any necessary revisions to project lists/financial plans, including the annual program audit. May make recommendations to Council for project list revisions	No recommendations on project list revisions to Council even though the scope of paving projects is broader than what was communicated to voters	Staff and committee members narrowly interpreted "project list revisions" as only additions or deletions of projects from original list
Provide an annual report to Council containing the above information	2017 annual report was presented to Council 15 months after the end of 2017, and the bureau has yet to present 2018 results	Bureau managers said the measure did not require them to offer reports in alignment with the fiscal or calendar year. They said work from 2017 did not match with either of these dates

Committee was interrupted halfway through the temporary tax period



The committee did not meet for five months because of delays caused by replacing members two years earlier than Council intended. The change in membership may further disrupt the committee's monitoring and reporting as new members get up to speed with the program and status of individual projects.

When the Bureau wrote the oversight committee's charter, it changed the membership term from four years as Council approved to two years. Bureau staff could not explain why they made this change. After replacing the committee in 2019, the Bureau reversed course and changed the term for new Committee members back to four years to match what Council approved.



Audits

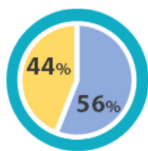
Audits required

The City is not meeting commitment to obtain annual program audits

City Council made three commitments regarding audits, each suggesting a different type of review and focus. We found that the Bureau was not inviting the oversight, transparency and accountability that Council's commitments implied because it was not obtaining annual program audits or sharing audit results. Without audits of the Fixing our Streets program and public reports summarizing the results, potential issues could not be identified and resolved, required information was not provided to the oversight committee and the public, and voter intent was not met.

The Bureau said that including the new tax revenues in the City's audited comprehensive annual financial report is how it met its audit commitment. While that financial audit verifies that the financial statements of the City were presented fairly and accurately, it did not offer a specific opinion on program management, nor was it shared with the Oversight Committee. Additionally, the firm that conducted the financial audit did not think its work met the intent of the audits the Bureau promised. A manager in the firm said he thought the City's financial audit provided some coverage of tax revenues, but the level and amount of work focused on the local gas tax did not provide what voters would expect of an audit of the program itself.

A program audit would review the performance and management of operations and make recommendations to improve services. If a program audit had been performed of the Fixing our Streets program annually, the issues outlined in this report could have been identified earlier and addressed by management.



Street repair/safety project split

56% of funds dedicated to street repair and 44% of funds to safety projects

It was difficult to determine if the Bureau has maintained the spending split it promised

The City committed to maintain a precise expenditure split between street repair and safety projects. A project list available to voters classified the street repair projects as paving. The descriptions of paving projects on that list did not indicate that they may include safety elements, and a plan to prioritize Americans with Disabilities Act curb ramps was classified as a safety project. Bureau management said that complete road reconstruction may involve non-paving elements, and that State and Federal law mandates safety elements, such as curb ramps that meet requirements of the Americans with Disabilities Act, be installed. The result is that some Americans with Disabilities Act improvements were included in the street repair budget while some of the bureau's work to comply with the Act were included in the safety budget.

"If revenue or expenditure amounts differ from projections, the ratio of street repair to safety projects will remain the same (56% street repair to 44% safety projects)."

Gas tax explanatory statement
published in the Voters' Pamphlet

According to project managers, curb ramps can cost between \$5,000 to \$20,000 each. The Bureau included these in the budgets of all the Fixing our Streets paving projects, with the exception of base repair projects. An example is the paving project on Southeast 50th Avenue. Rail tracks buried under the pavement had to be removed so that the curb ramps would meet federal requirements, and the work expanded the project budget and schedule.

“Depending on the state of the roadway, treatments for pavement maintenance can range from a seal coating on the surface, to grinding up the top layer of the street and repaving it, to repairing the base layer below the street surface, to eventually tearing up and rebuilding the entire road.”

Description of paving projects from project list available to voters

The same approach to budgeting was not used for safety projects that required street repair. The Bureau performed base repair on some projects before installing the safety improvements since cross walks and bike lanes marked on asphalt in poor condition won’t last long. Two safety projects included in our sample required street repair, but the work was not included in the Fixing our Streets safety project budget. For one project, the funding to repair the street came from the Fixing our Streets street repair budget, and the other was funded with money outside of the program.

Paving project: SE 50th Avenue (Division to Hawthorne)

Fixing our Streets Budget:	\$1,450,000
Actual Fixing our Streets expenditures:	\$2,180,000
Planned completion:	July 2018
Actual completion:	October 2018

Issues contributing to cost and schedule over runs:

- Street car tracks buried under pavement were discovered and removed from a portion of street to meet Americans with Disabilities Act guidelines and to extend life of pavement
- Project redesign needed after rails were removed
- New curb ramps were installed before decision to remove street car tracks was made and some had to be redone



The gas tax measure included a commitment that future funds be allocated 56 percent street repair to 44 percent safety. For that to be possible, the bureau needs to clarify what constitutes street repair versus safety projects and how they account for those projects.

Recommendations To ensure that monitoring and oversight of the Fixing our Streets Program is effective, we recommend the Bureau of Transportation:

1. Provide the Fixing our Streets oversight committee with information needed to understand and carry out its responsibilities. This may include reviewing with members the role of the committee and how to perform it, updating codes in new project management software and reviewing information provided to the committee to ensure it is accurate and complete, and querying the City's financial system for program expenditures within a week of committee meetings.

To meet public expectations, the Bureau of Transportation should:

2. Track and publicly report on Fixing our Streets projects as they relate to commitments made to the public.
3. Explore options to ensure that heavy vehicle owners pay their fair share for maintenance, operations and improvements of City streets.
4. Specify the type of audit desired and ensure that audit commitments are fulfilled. If the Bureau wishes to rely on the work that outside auditors perform for the financial audit, it should work with the outside auditor to determine what additional work is needed to satisfy audit requirements. The Bureau should budget for any costs associated with extra work required of the audit firm.
5. When preparing items referred to the ballot, make commitments that are clear, realistic, measurable, achievable and time-bound.

To ensure that funds are tracked and spent according to commitments made to voters, the Bureau of Transportation, with the input of the oversight committee and Council, should:

6. Clarify language regarding the split of funding for street repair and safety projects in program and oversight committee materials. The clarification should include how safety elements included in projects advertised as paving will be treated in their budgets, and how paving work included in safety projects will be treated in their budgets.
7. Informed by the clarification, the Bureau should track and account for spending to ensure that the split of funding for street repair and safety projects is maintained.

**Objective,
Scope,
and
Methodology**

Our audit objective was to determine if the Bureau of Transportation was delivering program and accountability commitments the City made for the Fixing our Streets program.

The scope of our review included work performed between May 2016 and December 2018.

To accomplish our objectives, we:

- Interviewed managers and staff from the Bureau of Transportation; Revenue Division; Central Procurement; City Budget Office; City Attorney's Office; the City's outside financial audit firm; Oregon Walks; and a sample of Fixing our Streets Oversight Committee Members
- Attended Fixing our Streets Oversight Committee meetings and neighborhood transportation meetings and events
- Reviewed the May 2016 Voters' pamphlet and City Council records of meetings where Gas and Heavy Vehicle Taxes were approved
- Reviewed City Code and policy documents related to the Gas Tax and Heavy Vehicle Tax
- Reviewed reports about the City's transportation system and how to fund improvements
- Reviewed Oversight Committee meeting materials and minutes between September 2016 and September 2018
- Compared projects promised to voters and Heavy Vehicle Tax projects to monitoring lists provided to the Committee to assess on-schedule and budget performance, and completeness of gas tax funded project list
- Selected a judgmental sample of four completed Fixing our Streets projects. Visited locations and interviewed project managers. The sample was selected to give an idea of how projects were accounted for and managed. The results are not intended to be projected to all Fixing our Streets projects

- Reviewed Fixing our Streets Oversight Committee Charter and City rules for Committees
- Reviewed the Fixing our Streets 2017 annual report for inclusion of required information
- Analyzed 163 responses to a survey about Fixing our Streets disseminated through neighborhood coalition transportation groups and events.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESPONSES TO THE AUDIT



Commissioner Chloe Eudaly
City of Portland

May 23, 2019

Mary Hull Caballero
City Auditor
1221 SW 4th Avenue, Suite 310
Portland, OR 97204

Dear Auditor Hull Caballero,

As the Commissioner-in-Charge of the Portland Bureau of Transportation (PBOT) since September of 2018, I agree with your audit findings and am prepared to work with PBOT and the Fixing Our Streets Oversight Committee to address the concerns that your audit highlighted.

The 10-cent gas tax that voters approved in 2016 that funds the Fixing Our Streets program is enabling PBOT to address urgent maintenance issues. The audit of the program as it is getting off the ground will help make it successful. I appreciate your attention to this new program and look forward to implementing the recommendations included in the audit.

I am committed to working with PBOT to improve Fixing Our Streets, but I am also proud of the work that PBOT has accomplished. In 2019, the bureau is on track to finish 20 projects and break ground on an additional 21. PBOT staff have developed new project delivery processes that are helping improve the safety and accessibility of our streets while achieving significant equity contracting outcomes.

Thank you again for the analysis and findings in your report. I look forward to updating you on our progress.

Sincerely,

Chloe Eudaly
Commissioner, City of Portland



PORTLAND BUREAU OF TRANSPORTATION

1120 SW Fifth Avenue, Suite 800 Portland, OR 97204 503.823.5185
Fax 503.823.7576 TTY 503.823.6868 www.portlandoregon.gov/transportation

Chloe Eudaly Commissioner **Chris Warner** Interim Director

May 23, 2019

Mary Hull Caballero
City Auditor
1221 SW Fourth Ave, Room 140
Portland, OR 97204

RE: Response to Audit Report, “Fixing Our Streets: Some accountability commitments not fulfilled”

Dear Auditor Hull Caballero:

Thank you for your thoughtful audit of PBOT’s Fixing Our Streets road maintenance and traffic safety program. In 2016 when the voters passed the 10-cent gas tax that funds Fixing Our Streets, they created a new local source of dedicated transportation funding. Just as importantly, they put their trust in PBOT to deliver better maintained and safer streets and to do so in an effective, fiscally prudent, and transparent way. As we reported to City Council earlier this year, 2019 will be our biggest year yet building better and safer streets for Portlanders.

This year alone we will finish 20 projects, including the almost \$9 million Foster Streetscape project in Southeast Portland. This project, which will celebrate its ribbon-cutting in mid-June, is a great example of what Fixing Our Streets is bringing to Portland. Not only will PBOT put in new pavement, signals, and other infrastructure, we will also increase safety and accessibility all along this vital thoroughfare. As one part of our comprehensive outreach efforts, PBOT created an informational webpage about the project, which Portlanders can view [here](#).

In addition to finishing almost two dozen projects, we will break ground on an additional 21 projects in 2019. For example, Fixing Our Streets provided catalytic funding that will allow work to begin on the long-anticipated Capitol Highway project. With Fixing Our Streets funds, PBOT will deliver sidewalks, bike lanes, and safe pedestrian crossings where they have long been lacking. In addition, we will use this opportunity to partner with the Bureau of Environmental Services and the Water Bureau to install modern stormwater facilities. As with many other Fixing Our Streets projects, we have followed a multifaceted outreach strategy, including multiple community meetings and sending out regular project updates in a variety of formats. Portlanders can view this and other information about this important project [here](#).



The Portland Bureau of Transportation fully complies with Title VI of the Civil Rights Act of 1964, the ADA Title II, and related statutes and regulations in all programs and activities. For accommodations, complaints and information, call (503) 823-5185, City TTY (503) 823-6868, or use Oregon Relay Service: 711.

By the end of 2019, thanks to Fixing Our Streets, Portlanders will enjoy many improvements to their transportation system – new blocks of sidewalks, repairs to street sections that were at risk of failure, dozens of Safe Routes to School projects and miles of new bike lanes. Importantly, we have also used Fixing Our Streets to support more widely shared economic prosperity in Portland. At the start of the program, we pledged that 30% of Fixing Our Streets contracts would be awarded to D/M/W/ESB/SDVBE firms. We haven't just met this goal, we have far exceeded it. To date, more than two-thirds—68%—of our low-bid contracts have gone to D/M/W/ESB/SDVBE firms. This is more than just a percentage, it means real jobs for firms and workers who historically have not enjoyed equal access to economic opportunity.

We also appreciate the recommendations pertaining to the Heavy Vehicle Use Tax that was passed by City Council in conjunction with the gas tax. The key advantage of the Heavy Vehicle Use Tax is that it is based on the state weight-mile fee. This allows us to collect revenue related to how much heavy vehicles use our roads. We have focused funds raised by this source on the conditions of Portland's key freight routes like Columbia Boulevard, Marine Drive and Going Street. To date, we have completed five paving projects. We are also installing needed safety features such as guardrails and impact attenuators.

As a bureau dedicated to constantly improving our work to deliver better results for Portlanders, we are grateful for your audit of the first two years of the program. We were especially gratified to see your conclusion that the projects were consistent with those promised to voters and that most projects were on budget. Your recommendations around communication and clarification are also appreciated.

Fixing Our Streets inaugurated a new era at PBOT. Prior to the program, PBOT had faced many years of constrained funding. After the passage of Fixing Our Streets, PBOT had to quickly ramp up its project planning and delivery practices to meet the demands of managing the new funding stream. As the audit notes, there were some initial delays in the first two years of Fixing Our Streets related to launching such a new program. Thanks to the work of PBOT staff, we have addressed many of the initial challenges. We have also introduced new tools that will improve our project delivery and financial forecasting across all the bureau's work.

As you note in some cases, projects did cost more than was itemized in the investment list that accompanied the gas tax measure. This was partially due to scoping challenges, particularly when the work triggered legally required and important ADA accessibility improvements. In many cases, however, PBOT staff were able to identify opportunities to deliver more complete projects with better outcomes for residents. In these cases, additional funding was leveraged from other sources and from gas tax revenue that exceeded our forecasts.

The Fixing Our Streets Oversight Committee advocated for these expenditures and recommended that PBOT invest these additional revenues in the existing project list to achieve the best possible outcomes. This approach was approved by Council and the bureau is currently allocating these additional Fixing Our Streets funds within the program. While some individual projects experienced additional costs, the overall program is within the approved budget and projected to remain so.

Since the period of this audit report, PBOT has expedited project delivery and implemented the capital projects tracking software e-Builder for improved execution. The bureau is now effectively staffed and resourced and, as reported to City Council in the 2018 Annual Report, the full portfolio of Fixing Our Streets projects will be completed or under construction within the program's four-year funding schedule.

The Portland Bureau of Transportation is proud of the work we do to keep Portland moving. We are committed to making the correct investments in the right places to meet our fundamental strategic goals: (1) deliver smart investments to maintain our system; (2) make Portland's streets safe for everyone; and (3) provide high-quality transportation choices for a growing city. Fixing Our Streets plays an important role in helping PBOT achieve these goals, and we are committed to managing an effective, efficient, and transparent program. We will take your recommendations under consideration and work to implement them effectively. The following outlines the specific actions the Bureau will take to improve accountability in the Fixing Our Streets program.

Recommendation 1: Provide the Fixing Our Streets Oversight Committee with the information needed to understand and carry out its responsibilities.

Thank you for the suggestion to improve public involvement and the involvement of the Fixing Our Streets Oversight Committee specifically. The bureau is now providing monthly project updates and confidence measures on schedule and budget. These include specific decision points as they relate to changes in a project scope creating additional savings or costs. This information will also help inform reports back to City Council from staff and the Oversight Committee as part of the annual report.

Recommendation 2: Track and publicly report on Fixing Our Streets projects as they relate to commitments made to the public.

Thank you for the suggestion that the Fixing Our Streets program should be publicized more. With the start of the program, we launched a comprehensive public information and involvement strategy. Our approach included traditional tools such as open houses and information sessions as well as the use of innovative new approaches like our [interactive project map](#). This map, which is updated on a regular basis, lists all the program's projects and includes information about project scopes and budgets. With Fixing Our Streets funds, we also undertook a historic outreach effort for Portland's beloved Safe Routes to School program. We met with families in every Portland school district and talked with them about their safety needs. As a result, we now have a comprehensive list of projects to improve walking and biking for students in each one of the city's 12 high school clusters. Finally, we have used each groundbreaking or ribbon-cutting to publicize the program through the media. Below is a partial list of the media coverage the program has received. We know that we can always do better, so will consider investing in more social media advertising and construction location signage to spread public awareness of the program. We believe that awareness of the program is greater than surveys of neighborhood coalition groups would indicate and will continue to grow during this busy summer construction season.

Partial List of Fixing Our Streets Media Coverage

Projects going to construction in 2019

KATU – March 21, 2019 – [PBOT gears up for big construction year](#)

KATU – March 24, 2019 – Your Voice Your Vote

KATU – March 23, 2019 – KATU News This Morning

KOIN – March 21, 2019 – [PBOT: 2019 will be busiest year yet](#)

KGW – January 18, 2019 – Fixing Our Streets

Oregonian/OregonLive – January 9, 2019 – [Portland will build two-way bike path on perilous section of Greeley Avenue](#)

Oregonian/OregonLive – January 1, 2019 – [10 things to watch in transportation world in 2019](#)

East Portland safety and public transit access improvements

East Portland News – March 8, 2019 – [‘Streetscape project’ celebrated in Gateway](#)

Oregonian/OregonLive – September 10, 2018 – [Former Portland rivals celebrate new bus line, pedestrian improvements on 122nd Ave.](#)

Portland Tribune – February 23, 2019 – Sidewalks, street trees and paving planned for SE 136th

Mid County Memo – December 5, 2018 – [122nd Avenue improvements highlight safety concerns](#)

PBOT – June 22, 2018 – [News Release: Commissioner Saltzman, PBOT Director Leah Treat and community members celebrate three Fixing Our Streets sidewalk projects in East Portland](#)

Projects going to construction in 2018

KPTV – December 6, 2018 – [Major paving project completed in SE Portland](#)

BikePortland – May 16, 2018 – [With slew of projects in the pipeline, east Portland’s streets begin era of change](#)

MidCounty Memo – May 5, 2018 – [Gateway to Opportunity Project means roadwork—lots of it](#)

KATU – April 11, 2018 – [Portland summer street projects gearing up -- find a project near you](#)

Portland Tribune – April 03, 2018 – [Street construction season starts](#)

KOIN – April 3, 2018 – [Fixing Our Streets: Portland kicks off summer projects](#)

PBOT – March 27, 2018 – [News Release: SE 50th Avenue Paving Project kicks off 2018 Fixing Our Streets construction season](#)

Portland Tribune/KOIN – February 15, 2018 – [Vermont Street to get bike, pedestrian upgrades](#)

Mid County Memo – January 5, 2018 – [Portland gas tax pays for N.E. Halsey Street repaving](#)

Project design and outreach

Portland Tribune – March 23, 2019 – [City maps out new greenway linking Lloyd to Woodlawn](#)

The Skanner – March 21, 2019 – [PBOT Unveils Northeast Greenway Plan](#)

BikePortland – June 6, 2018 – [City releases \\$8 million list of Safe Routes to School projects](#)

SW Portland Post – February 2018 – [City conducting site visits to discuss how project may affect property frontages](#) (Capitol Highway Project)

SW Portland Post – January 2018 – [City managers give 30 percent design review to Multnomah subcommittee](#)

Recommendation 3: Explore options to ensure that heavy vehicle owners pay their fair share for maintenance, operations and improvements of City streets.

The City Council chose to not increase the Heavy Vehicle Use Tax last year. We are currently preparing a range of policy adjustments for City Council to evaluate as they consider extending this program. We believe the heavy vehicle use tax is an innovative approach that allows us to collect revenue based on the state weight-mile fees, and the amount of use our streets see from heavy vehicles.

Recommendation 4: Specify the type of audit desired to ensure that audit commitments are fulfilled.

We are grateful for this performance audit. To augment this analysis of the program, we will have a qualified firm perform financial audits of Fixing Our Streets and present this to City Council and your office.

Recommendation 5: Make certain ballot commitments are clear, realistic, measurable, achievable and time-bound.

As reported to City Council in the 2018 Annual Report, the full portfolio of Fixing Our Streets projects will be under construction or completed within the program's four-year funding schedule. Should this program be extended in the future, we will look to improve our ballot commitments.

Recommendation 6: Clarify language regarding the split of funding for street repair and safety projects in program and oversight committee materials.

Thank you for acknowledging that it is challenging to separate safety from maintenance categories. Most of our projects do both, and it can be difficult to track expenditures within a complete project by category. The audit raises the specific question of how to account for ADA expenditures triggered by street repair. We will refine these definitions and categories in future efforts.

Recommendation 7: Track and account for spending to ensure that the split of funding for street repair and safety projects is maintained.

We have already responded to recommendations from the Auditor to improve the tracking of these categories. Based on our project planning and financial forecasts, we fully expect our final spending totals will match the 56% to 44% split promised to voters.

Thank you again for your thorough and helpful audit. The Portland Bureau of Transportation looks forward to sharing our progress with you and the community as we move forward with this important program.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Warner". The signature is fluid and cursive, with the first name "Chris" and last name "Warner" clearly distinguishable.

Chris Warner
Interim Director, Portland Bureau of Transportation



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Fixing Our Streets:

Some accountability commitments
not fulfilled

Report #519, May 2019

Audit Team: Jenny Scott,
Elizabeth Pape

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